

UNITED STATES INTERNATIONAL TRADE COMMISSION
Washington, DC 20436

**MEMORANDUM ON PROPOSED TARIFF LEGISLATION
of the 111th Congress¹**

[Date approved: February 23, 2010]²

Bill No. and sponsor: S. 1978 (Ms. Maria Cantwell of Washington).

Proponent name,³ location: Mitsui & Co. (USA) Inc., Seattle, WA.

Other bills on product (111th Congress only): None.

Nature of bill: Temporary duty suspension through December 31, 2011.

Retroactive effect: None.

Suggested article description(s) for enactment (including appropriate HTS subheading(s)):

Leaf spring assemblies having individual leaves of alloy steel (certified by the importer as meeting JIS grade SUP 10H (SAE6150) produced by a patented modified aus-forming process), the foregoing assemblies measuring approximately 137 cm or more but not over 164 cm in length, approximately 10 cm or more but not over 12 cm in width and approximately 76 mm or more but not over 101.6 mm in thickness, and weighing approximately 41.4 kg or more but not over 89.4 kg (provided for in subheading 7320.10.60).

Check one: ☐ Same as that in bill as introduced.
 ☒ Different from that in bill as introduced (see Technical comments section).

Product information, including uses/applications and source(s) of imports:

These leaf springs assemblies are of multi-leaf or taper-leaf construction, consisting of several bowed leaves of successively shorter lengths that are stacked and fastened together with a center bolt and side brackets to form a shock-absorbing component for the suspension systems of heavy trucks. The component leaves are heat-treated flat bars of alloy steel, each with a center bolt hole, and the longest with end fittings for attachment of the spring assembly to the vehicle underframe. These leaf spring assemblies are custom-produced abroad by a single company for a specific U.S. customer. Mitsui & Co. Ltd. (Japan) ships these leaf spring assemblies to its U.S. distributor, Mitsui & Co. (U.S.A.) Inc., which sells them to the domestic purchaser, PACCAR Inc., a manufacturer of commercial vehicles, which installs them as suspension system components for heavy (Class 7 and Class 8) trucks.⁴

¹ Industry analyst preparing report: Karl Tsuji (202-205-3434); Tariff Affairs contact: Jan Summers (202-205-2605).

² Access to an electronic copy of this memorandum is available at http://www.usitc.gov/tariff_affairs/congress_reports/.

³ The sponsor and proponent identified one additional beneficiary of this bill. USITC staff sent an inquiry to the additional beneficiary and received a response from the beneficiary. It submitted a written representation that it would benefit from this bill.

⁴ Class 7 trucks weigh from 26,001 to 33,000 lbs (11,794 to 14,969 kg) and Class 8 trucks weigh 33,001 lbs or more (14,970 kg or more). *The World's Truck Manufacturers: A Strategic Review of Finance and Operations*. London: Automotive World Publications, 10th ed. (2007), 156.

Estimated effect on customs revenue for the subject product classifiable in HTS subheading 7320.10.60:

	2010	2011	2012	2013	2014
Col. 1-General rate of duty	3.2%	3.2%	3.2%	3.2%	3.2%
Estimated value of dutiable imports ^a	\$5 million to \$8 million	\$5 million to \$8 million	\$5 million to \$8 million	\$5 million to \$8 million	\$5 million to \$8 million
Customs revenue loss ^b	\$160,000 to \$256,000	\$160,000 to \$256,000	\$160,000 to \$256,000	\$160,000 to \$256,000	\$160,000 to \$256,000

a/ Dutiable import estimates were based on industry information and Commission estimates.

b/ At the request of Congress, customs revenue loss is provided for 5 years, although the effective period of the proposed legislation may differ.

Contacts with domestic firms/organizations (including the proponent):

Name of firm/organization	Date contacted	Claim US makes same or competing product(s)?	Submission attached?	Opposition noted?
		(Yes/No)		
Mitsui & Co. (U.S.A.) Inc. (Proponent) Geri Booher, Marketing Manager (206-223-5642, G.Booher@mitsui.com) Lawrence Bruser, Government Affairs (202-861-0665, L.Bruser@mitsui.com)	11/20/2009	No	No	No
PACCAR Inc. (Beneficiary) Travis Stuart, Senior Commodity Manager (425-468-7514, travis.stuart@paccar.com)	11/24/2009	No	Yes	No
Motor Equipment Manufacturers Association (MEMA) Catherine Boland, Director for Government Affairs (202-312-9241, cboland@mema.org)	11/24/2009	Yes	No	No ^(a)

a/ A MEMA member claims that a U.S. firm manufacturing a competing product would be in opposition, but MEMA itself has not expressed a position on this bill.

Technical comments:⁵

The article description should be amended as shown above, especially to clarify that the imported product is leaf spring assemblies, rather than the individual component leaves made of alloy steel as was stated in the provision as drafted.⁶

⁵ The Commission may express an opinion on the HTS classification of a product to facilitate consideration of the bill. However, by law, only the U.S. Customs Service is authorized to issue a binding ruling on this matter. The Commission believes that the U.S. Customs Service should be consulted prior to enactment of the bill.

⁶ Telephone conversations and e-mail correspondence with the proponent by Commission staff, November 23-25, 2009.

111TH CONGRESS
1ST SESSION

S. 1978

To suspend temporarily the duty on modified steel leaf spring leaves.

IN THE SENATE OF THE UNITED STATES

OCTOBER 28, 2009

Ms. CANTWELL introduced the following bill; which was read twice and referred to the Committee on Finance

A BILL

To suspend temporarily the duty on modified steel leaf spring leaves.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. MODIFIED STEEL LEAF SPRING LEAVES.**

4 (a) IN GENERAL.—Subchapter II of chapter 99 of
5 the Harmonized Tariff Schedule of the United States is
6 amended by inserting in numerical sequence the following
7 new subheading:

“	9902.01.00	Single leaf spring leaves of alloy steel certified by the importer as of JIS grade SUP 10H (10SAE6150), each measuring from approximately 137 cm to 164 cm in length and 10 cm to 12 cm in width inclusive, of a thickness of 76 mm to 101.6 mm inclusive, the foregoing designed for multi leaf and taper leaf construction units designed for use in Class 7 and 8 trucks only, weighing 41.4 kg to 89.4 kg, produced using a patented modified aus-forming process (provided for in subheading 7320.10.60), assembled multi-leaf spring units are not included	Free	No change	No change	On or before 12/31/2011	”.
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1 (b) **EFFECTIVE DATE.**—The amendment made by
 2 subsection (a) applies to goods entered, or withdrawn from
 3 warehouse for consumption, on or after the 15th day after
 4 the date of the enactment of this Act.

